GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1526
ANSWERED ON:09.03.2007
WAIVING LOAN OF TRAWLER OWNERS
Surendran Shri Chengara

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has noticed the hardships experienced by the trawler owners of Kerala by the negative attitude of the State Bank of Travancore (SBT) and Union Bank in Kerala on implementing the recommendations of the Murari Committee i.e. to waive 70 percent of the outstanding principal amount alongwith accumulated interest on the loan;

(b) if so, the action taken by the Government to redress the grievances of trawler owners; and

(c) the number of cases in which trawler owners have been benefited by the recommendations of the Murari Committee during the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) to (c): The Murari Committee has recommended a package for financial restructuring and relief that can be extended to deep sea fishing companies to enable them to recoup and operate on profitable terms in the future and also to commence debt servicing to the Government. The package envisages an option of a one time settlement too. The Committee recommendations, however, do not specifically cover the outstanding loans due to nationalised banks, which are covered under the refinancing scheme of NABARD. The Report speaks only about Government debts, and the recommendations are not binding on public sector banks.
Since, most of the Deep Sea Vessels were financed by the erstwhile Shipping Development Fund Committee(SDFC), the rehabilitation scheme was implemented by a Notification issued by the erstwhile Shipping Credit and Investment Corporation of India(SCICI) in May 1997 for loans advanced by the SDFC and its successor institutions SCICI and ICICI. Most of the Deep Sea Trawlers owners availed the concessions extended and settled the amount by paying 30% of the outstanding principal loan under the OTS Scheme.Some representations have been received regarding non- settlement of dues by some of the Public Sector Banks who financed the Deep Sea Vessels under the refinance scheme of NABARD 1990. The representations seek that the package announced by the erstwhile SCICI should be made applicable to Deep Sea Trawlers financed by Commercial Banks and refinanced by NABARD. Individual banks would have to take a decision in this regard based on their norms and commercial judgement.